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SCAMS TRICKS and DECEPTIONS

A GUIDE FOR NEW CAR BUYERS

BY JOHN CARAVELLA

TOTAL MSRP \$28,560.00

This label is affixed pursuant to the Federal Automobile Information Disclosure Act. Gasoline, License, and Title Fees, State and Local taxes are not included. Dealer installed options or accessories are not included unless listed above.

GOVERNMENT 5-STAR SAFETY

Overall Vehicle Score ★

Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to vehicles of similar size and weight.

Frontal Driver Passenger ★ ★

Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.

Side Front seat Rear seat ★ ★

Crash Based on the risk of injury in a side impact.

Rollover ★

Based on the risk of rollover in a single-vehicle crash.

Star ratings range from 1 to 5 stars (★★★★★)

Source: National Highway Traffic Safety Administration

www.safercar.gov or 1-888-



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SCAMS TRICKS and DECEPTIONS

**A GUIDE FOR NEW
CAR BUYERS**

www.ScamsTricksAndDeceptions.Solutions

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PREFACE

For the last 25 years since retiring from police service I have been performing consumer fraud investigations for various agencies. Clearances resulted in the recovery of millions of dollars for countless victims. Many files centered on unfair, fraudulent or deceptive new car purchases; some of which are highlighted in this book.

The various forms of scams you could face are nearly innumerable, but I cover what are the more likely such as:
No advertised price; you don't want a new car; you are separated from the person you came with; you're trapped; you don't feel well and the pressure continues; your signatures may be mis-applied; your trade-in is gone.

You probably don't have time to read a thick book with warnings about buying a new car so I kept this guide brief, concise and maybe a little blunt in order to save you time.

These factual case files convinced me that not only are unsuspecting buyers capable of becoming victims, but experienced buyers can be victimized as well. The unsuspecting buyer can be an elderly, trusting person or an accomplished lawyer. In this book I point out pitfalls that may surprise you and I illustrate them with true stories that will shock you.

You may be uncomfortable exerting your rights the first time around, but a new car buying venture may well be your second-most expensive life's purchase. Be assured; however, once you become practiced in knowing you can actually be in charge of events you will quickly realize how well you can protect yourself.

No one will protect your rights and best interests better than you can.

John Caravella

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“Monroney Label” (new car disclosure label) - sample

ADD-A-TAG[®] PROTECTING THE CONSUMER[®]

DEALER

STOCK NO.:
SERIAL NO.:
MODEL:
AVAIL. SERVICE AGREEMENT: YES

STANDARD EQUIPMENT INCLUDED

DEALER-ADDED EQUIPMENT AND SERVICES
Manufacturer Suggested Retail Price:

\$31,409

Lifetime Nitrogen Tire Inflation
Deluxe Pin Stripe
Carpeted Floor Mats
Final Delivery Detail

\$1,489

Additional Dealer Profit

\$3,000

DESTINATION CHARGE **INCLUDED**

TOTAL PRICE* **\$35,898**

EPA DOT Fuel Economy & Environment

Fuel Economy For MPG Ratings See Fuel Economy Label or visit fuelconomy.gov

Compare this vehicle to the average new vehicle.

THIS PROTECTING-THE-CONSUMER[®] LABEL IS NOT AN OFFICIAL FACTORY OR GOVERNMENT STICKER.

Affixed as a supplemental Consumer Information Label by your dealer.

Annual fuel cost

See Fuel Economy & Environment Label or fuelconomy.gov

For Smog, Fuel Economy & Greenhouse Gas Ratings

1 10

See the Fuel Economy and Environment Label or visit fuelconomy.gov

*Dealer's Price for this vehicle is suggested. Dealer may include state and local taxes, license, and title fees, dealer or service charges, if any. This label has been affixed to this vehicle by this dealer. It has been designed by ADD-A-TAG to clearly indicate any additional charges. It is not an official factory label affixed by the manufacturer.

fuelconomy.gov

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Dealer-added sticker - sample

Complaint: The Monroney Label was missing.

Every new vehicle sold in the United States must have a manufacturer-generated Label affixed to the windshield or side window of the vehicle. This is to occur at the point of the vehicle's manufacture prior to its delivery to any dealer. The author of this federal legislation was "Mike" Monroney from Oklahoma. The Automobile Information Disclosure Act of 1958 remains current today and requires several items of important information including:

...the following information concerning such automobile—

- (a) the make, model, and serial or identification number or numbers;
- (b) the final assembly point;
- (c) the name, and the location of the place of business, of the dealer to whom it is to be delivered;
- (d) the name of the city or town at which it is to be delivered to such dealer;
- (e) the method of transportation used in making delivery of such automobile, if driven or towed from final assembly point to place of delivery;
- (f) the following information:
 - (1) the retail price of such automobile suggested by the manufacturer;
 - (2) the retail delivered price suggested by the manufacturer for each accessory or item of optional equipment, physically attached to such automobile at the time of its delivery to such dealer, which is not included within the price of such automobile as stated pursuant to paragraph (1);
 - (3) the amount charged, if any, to such dealer for the transportation of such automobile to the location at which it is delivered to such dealer; and
 - (4) the total of the amounts specified pursuant to paragraphs (1), (2), and (3);

and there is a penalty for removing the Label:

Any person who willfully removes, alters, or renders illegible any label affixed to a new automobile pursuant to section 1232 of this title, or any endorsement thereon, prior to the time that such automobile is delivered to the actual custody and possession of the ultimate purchaser of such new automobile, except where the manufacturer relabels the automobile in the event the same is rerouted, repurchased, or reacquired by the manufacturer of such automobile, shall be fined not more than \$1,000, or imprisoned not more than one year, or both. Such

removal, alteration, or rendering illegible with respect to each automobile shall constitute a separate offense.

If you cannot find the disclosed **“(4) total of the amounts specified pursuant to paragraphs (1), (2), and (3)”** you can be tricked into paying too much for your vehicle.

Consider the manufacturer’s total from the Monroney Label to be an advertised price displayed for all to see. There is no good reason for you to begin negotiating a price for the vehicle at an amount greater than the manufacturer’s **total**.

File 932: I went to the dealership to shop for a new car. The salesperson asked how much I could afford and I said, “\$19,000.00.” The salesperson showed me a new car and said its price was \$37,000.00 plus unknown destination charges. This vehicle had no Monroney Label. I said it was too much, especially once you add on this dealer’s preparation/profit charge, tax, license and fees so he said he would reduce the price to \$25,000.00 “with all benefits.” I asked if the dealer prep/profit charge was negotiable? He went on to describe these benefits as break-down coverage, tire problem repairs, washes, loaner if needed, oil changes, and extended warranties “all for \$25,000.00 plus tax.”

I agreed to all this and was then introduced to the finance manager, who continued the sales process. I was asked to sign so many papers that the finance manager jokingly said to the salesperson that his arm was getting sore. During all the signing I was being reassured by the salesperson that the price with all extras was \$25,000.00 plus tax.

I left with the new car still under the impression that the sale amount was \$25,000.00 plus tax and was not aware of the full cost of the vehicle being \$37,548.00 until I received my customer copy of the Retail Buyer's Order and Simple Finance Charge agreement in the mail some 4-5 days later. I was not given copies of these documents at the time of the sale when I left. My review of these papers from the mail was the first time I became aware of my car's total cost.

I do not remember seeing any papers at the time of purchase that listed the dollar amounts of the transaction as the Retail Buyer's Order does. I was told to sign so many papers that, while under the assumption of the agreed price, I did not notice anything printed out for me to sign that caught my attention to any other terms. In particular I do not recall specifically signing the Retail Buyer's Order or whether or not something contained any listing of dollar amounts prior to my signing everything.

I later found the Monroney Label in the trunk with the real price listed at \$19,415.00. On the sale contract the dealership started the price of my car at \$29,000.00. I don't know why there is such a difference.

RESOLVED: FINANCIAL RECOVERY

File 723: We went to the dealer to look at new vehicles. During that time I and my partner signed a Retail Buyer's Order. I am 67 years old and my partner is 95.

We noticed the vehicle did not have a Monroney Label on it, but had it been present at the time of inspection and purchase, thereby revealing the actual value of the vehicle, we would not have purchased this vehicle at what we now believe to have been an unlawfully inflated price. All the paperwork was

presented in a rushed fashion and we never got any of it after signing. Once we later obtained copies of what we signed we noticed the salesman charged us \$82,383.00 for the vehicle that the manufacturer later informed us had an MSRP of \$47,745.00 and a manufacturer's total of \$49,976.00. The contract even charged us for equipment the dealer said it installed on the vehicle, but that came standard from the factory.

I met with the dealership's manager and expressed my reservations about the sale, but that I did not want to file a law suit. The manager stated any civil action toward settlement could take a long time, which could potentially out-live my partner and who may not then be alive to provide testimony. I replied to the manager that my partner has already given an audio/video deposition in anticipation of such circumstances. The manager then wrote me a check for \$38,000.00 to settle all matters and close out our other complaints.

RESOLVED: FINANCIAL RECOVERY

A **Monroney Label** (*see page "iv" at the beginning of this book*) can only be printed by the manufacturer. It cannot be added to, amended or altered by another entity once the manufacturer affixes it to a vehicle.

A **dealer-added sticker** is not a Monroney Label. Some dealers display a dealer-added sticker and some do not; these stickers (*see page "v" at the beginning of this book*) are simply a non-regulated way for a dealer to increase profits. It is a false claim for a dealer to say the sticker, or your purchase of the items on the sticker, are required.

Many dealers affix a dealer-added sticker next to a Monroney Label that pretends to increase the manufacturer's total price of a new vehicle shown on the

Monroney Label. These stickers are designed to look like official Labels, but they are not. A dealer-added sticker can claim the dealer applied extra products like special exterior wax, interior stain protection, nitrogen-filled tires, pin striping and other assorted extras to increase the vehicle's price by thousands of dollars.

Another dubious extra that can appear on a dealer-added sticker is a cost for Market Value Adjustment. This is a dealer's attempt to charge more for the vehicle because of a creative and contrived perception of supply vs. demand.

If some extra products are missing, some dealers will claim they have not yet applied them and they are instead only suggested extras for a buyer to consider. If you cannot determine the existence of extras with your five senses and/or you do not want any extras refuse to buy them.

Blank Monroney Labels are available on the retail market and in some instances you may suspect a Label has been changed from what the manufacturer disclosed.

If you question any additions to the manufacturer's Label by an entity not the manufacturer you can simply take a photo of the Label that belongs to the vehicle and telephone the manufacturer to compare its information on file to the affixed Label. Some Labels have been found to be different than what the manufacturer originally issued.

If a dealership balks at your taking a Label's picture you have probably discovered a fake Monroney Label.



"I did not intend to buy a car."

Complaint: I did not intend to buy a car.

As you sit patiently in the service department's waiting room a salesperson approaches and asks if everything is going okay. The next question is, "As long as you're waiting, would you like to see our latest models?"

If you are at the dealer for service, you are not at the dealer to walk around with a salesperson. Your answer is a firm, but friendly, "No thank you. I'm comfortable right here." Repeat this if you have to.

File 181: I drove to the dealership for an oil change. While waiting, a salesman approached me and asked if I was familiar with all the new safety features and options of a new car compared to my older model. He explained the benefits of a new car and showed me a champagne colored new car, which had a sticker price of approximately \$36,000. This car was the top of the model line with full power seats and many other extras.

I repeatedly told the salesman that I was there only for an oil change and was happy with my current car, but the salesman continued to pressure me about purchasing the new car he was showing me. And the pressure continued. For reasons I still do not completely understand I eventually signed a sales contract and the salesman allowed me to drive away in and retain ownership of my old car without physically taking possession of the newly purchased car. I continued to tell him I just wanted my old car and not a new one even though the sales contract shows a trade-in allowance. The salesman told me the dealership would have to charge me a storage fee if I did not pick up my new car within a reasonable amount of time.

Very shortly after arriving home the salesman and another individual showed up at my home and stated they were there to deliver my new car to me. It was a blue colored car that I hadn't seen before and the other person had another car so they could both return to the dealership. This blue car was a base, low-end model and was not the champagne colored car I was shown at the dealership, which I thought I had seen. The sales contract showed I purchased this low-end car, but at the price of the more expensive champagne colored car. He said the contract was clear, it was signed and the car was mine and there is nothing I can do about it. I had not given the salesman or anyone permission to drive this new car, nor was it insured.

The salesman stated that his mother has the same type of car and loves it. The salesman twice offered to arrange lunch with me and his mother. I never found out if the salesman even has a mother.

RESOLVED: FINANCIAL RECOVERY

File 792: I went to the dealership to get my dashboard lights fixed. While waiting I was approached by a salesperson. He questioned whether or not I would like to see and test drive a new car to which I said no, I was just in for service. He continued with the same question saying how nice the new models were and eventually I test drove a new car.

I am not clear on why I continued to speak with the salesperson, but I eventually signed a contract to purchase a new car, which was a different vehicle than what I test drove.

I am not certain why I bought a new car, and did not look at any documents before signing; not even to notice the price of the car. I found the entire transaction to be very confusing. I